

FICCI's REACTION TO IIP DATA FOR JUNE 2013

New Delhi, 12 August 2013: Commenting on the Index of Industrial Production (IIP) data for June 2013 which was released today, **Ms Naina Lal Kidwai, President, FICCI** said "The IIP figures for June are indeed a matter of concern and clearly indicate that supply side bottlenecks and weak consumer demand are weighing down on industrial growth"

"The continuous de-growth in manufacturing will impact the employment scenario and manufacturing can be revived by stimulating demand, lowering the interest rates and expediting investment projects", said Ms Kidwai.

"Electricity growth of zero calls for serious reforms in our coal and energy sector. The Government's initiative to fast track implementation of large projects can ease the supply bottlenecks in energy sector to generate electricity growth" noted Ms Kidwai.

However, zero growth of electricity in IIP is at a difference from the statistics of eight core industries for June 2013, where the electricity growth was 1.2%.

"We expect the industrial growth to pick-up only gradually as the year progresses. Export growth of over 11% in July provides for some ray of hope in the coming months for our manufacturing sector" said Ms Kidwai.

FICCI MEDIA DIVISION